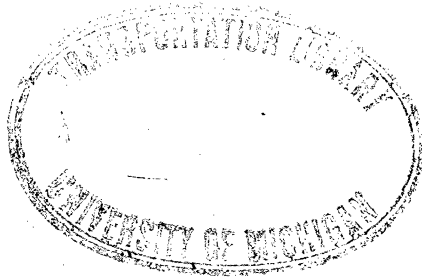


ANNUAL REPORT
of the
**DETROIT AND MACKINAC
RAILWAY COMPANY**



FOR THE FISCAL YEAR ENDING DECEMBER 31st
1927

ANNUAL REPORT
of the
**DETROIT AND MACKINAC
RAILWAY COMPANY**

**FOR THE FISCAL YEAR ENDING DECEMBER 31st
1927**

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

HENRY K. McHARG	Ridgefield, Conn.
HENRY K. McHARG, Jr.....	East Tawas, Mich.
DAVID H. PIERSON	New York, N. Y.
JAMES BROWN MABON	New York, N. Y.
JAMES McNEIL	New York, N. Y.

OFFICERS

HENRY K. McHARG	<i>President</i> Ridgefield, Conn.
JAMES McNEIL	<i>Secretary-Treasurer</i> 40 Wall Street, New York, N. Y.
HENRY K. McHARG, Jr.....	<i>Vice-President and General Manager</i> East Tawas, Michigan
CHARLES E. GLASS.....	<i>Second Vice-President and Auditor</i> East Tawas, Michigan

General Office (In Michigan).....East Tawas, Michigan
General Office (Outside of Michigan) 40 Wall St., New York, N. Y.

COLEGROVE & MURPHY
DETROIT
CERTIFIED PUBLIC ACCOUNTANTS

March 21, 1928.

Mr. C. E. Glass,
Vice-President and Auditor,
Detroit and Mackinac Railway Company,
East Tawas, Michigan.

Dear Sir:

Pursuant to your request, we have made an examination of the accounts of the Detroit and Mackinac Railway Company for the year ended December 31, 1927, and herewith present statements showing the result of the operation of your company for the period under review.

We hereby certify, that according to the books and records, the attached Balance Sheet reflects the true financial condition of your company at December 31, 1927, and the accompanying statements of Income and Profit and Loss, with the supporting schedules, are a correct expression of the results of your operations for the year ended on that date.

Respectfully,

COLEGROVE & MURPHY.

REPORT OF THE PRESIDENT TO THE STOCKHOLDERS
OF THE
DETROIT AND MACKINAC RAILWAY COMPANY

February 2, 1928.

To the Stockholders of the Detroit and Mackinac Railway Co.:

The statements contained in this annual report show continued loss in passenger earnings, but fortunately for your interests, the increase in freight earnings the last year made up practically the entire loss, so that the gross revenue was practically the same.

We continued to spend money on the property in line with our action in the past, the wisdom of the same being shown in our reduction of operating expenses and a net showing much better than for many years.

Our per diem received for hire of freight cars continued to show a loss and we had practically a surplus of some kind of equipment during the entire year.

The Interstate Commerce Commission in Washington, after hearing arguments, gave us permission to abandon the Au Sable and Lincoln Branches, holding in abeyance any action on the Rose City Branch.

The Michigan Commission acquiesced in this action as far as the Au Sable Branch was concerned, and the rails and other property have been removed, but gave authority to remove the Lincoln Branch on January 1, 1929. In this last case we are endeavoring to obtain their consent to remove at an earlier date, but at the writing of this report no further action has been taken. With the proceeds of the rails removed from the Au Sable Branch and some addition of other scrap rails, making six thousand tons in all, we have purchased three thousand tons ninety pound open hearth steel rails from the Bethlehem Steel Co. and expect to lay the same in our main line between Bay City and Alpena. Our main line then between Bay City and Alpena, 122.4 miles with the exception of 2.5 miles, will be laid with eighty-five and ninety pound steel rails.

Commending the faithful service and loyalty of our employees, I am,

Yours very truly,

HENRY K. McHARG,
President.

DETROIT AND MACKINAC RAILWAY COMPANY
SECOND VICE-PRESIDENT AND AUDITOR'S OFFICE

East Tawas, Mich., Feb. 8, 1928.

HENRY K. McHARG, ESQ.,
President.

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ending December 31st, 1927, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Earnings and Expense by years.

TABLE F—Operating Expenses.

TABLE G—Mileage.

TABLE H—Classification of Freight Tonnage, 1926 and 1927.

TABLE I—Statistics for years 1926 and 1927.

TABLE J—Equipment.

TABLE K—Spurs, Sidings and Branches taken up and built during year.

Respectfully,

C. E. GLASS,
Second Vice-President and Auditor.

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1927, AND COMPARISON WITH
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1926, SHOWING INCREASE AND DECREASE

ASSETS

	Items	Total	Increase	Decrease
Investments:				
Investment in Road and Equipment.....	\$7,566,478.05	\$7,735,879.59	\$ 6,708.94	
Miscellaneous Physical Property	169,401.54		19,419.88	
Current Assets:		504,565.87		
Cash	116,078.07		56,515.88	
Special Deposits—J. P. Morgan Coupon Account	1,520.00			\$ 420.00
Traffic and Car Service Balances Receivable	50,828.34		20,069.26	
Net Balances Receivable from Agents and Conductors	5,175.03			10,706.40
Miscellaneous Accounts Receivable	42,087.38			5,936.76
Material and Supplies	288,469.82			67,336.18
Equipment Salvage	400.00			
Other Current Assets	7.23			27.25
Deferred Assets:		567.54		
Working Fund Advances	567.54			
Unadjusted Debits:		19,360.98	5,014.02	
Insurance Premiums Paid in Advance	5,820.65			60,000.00
Discount on Funded Debt				341.02
Other Unadjusted Debits	13,540.33			
Total		\$8,260,373.98		\$ 37,039.63

TABLE A—(Continued)

LIABILITIES

Items	Total	Increase	Decrease
Capital Stock:			
Common Stock	\$2,000,000.00		
Preferred Stock	950,000.00		
Long Term Debt:			
First Lien Bonds	1,500,000.00		
Mortgage Bonds	1,250,000.00		
Outstanding	\$1,750,000.00		
In Treasury	500,000.00		
Current Liabilities:			
Loans and Bills Payable	70,000.00		\$ 30,000.00
Audited Accounts and Wages Unpaid	84,067.79		28,125.75
Miscellaneous Accounts Payable	5,597.28		5,552.15
Interest Matured Unpaid	1,520.00		420.00
Unmatured Interest Accrued	9,166.67		
Traffic and Car Service Balances Payable	44,772.29		26,734.07
Unadjusted Credits:			
Tax Liability	119,340.00	\$ 2,208.00	
Accrued Depreciation—Road	285,865.46	139,558.62	
Accrued Depreciation—Equipment	672,480.39	4,587.79	
Other Unadjusted Credits	24,256.87	12,337.93	
Corporate Surplus:			
Additions to Property through Income and Surplus	1,863,583.28		
Profit and Loss—Debit Balance	620,276.05		
Total	\$8,260,373.98	26,128.82	131,028.82
			\$ 37,039.63

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT DECEMBER 31, 1927, COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1926.

	1927	1926	Increase	Decrease
Freight.....	\$1,316,787.95	\$1,228,783.80	\$ 88,004.15	
Passenger.....	166,964.96	234,977.22		\$ 68,012.26
Excess Baggage.....	1,564.71	1,903.70		338.99
Parlor and chair car.....	1,363.00	1,723.63		360.63
Mail.....	37,353.21	42,050.45		4,697.24
Express.....	51,943.95	57,885.98		5,942.03
Other Passenger Train.....	3,127.87	1,682.09	1,445.78	
Milk.....	25,588.33	29,090.53		3,502.20
Switching.....	9,414.24	8,671.12	743.12	
Special Service Train.....	329.02	1,046.95		717.93
Station, Train and Boat Privileges.....	100.74	137.76		37.02
Parcel Room.....	39.90	55.50		15.60
Storage—Freight.....	889.95	971.71		81.76
Storage—Baggage.....	2.28	15.72		13.44
Demurrage.....	2,835.00	6,504.81		3,669.81
Rents of Buildings and Other Property.....	5,494.79	4,022.04	1,472.75	
Miscellaneous.....	2,904.03	2,809.96	94.07	
Joint Facilities—Cr.....	1,484.49	3,617.17		2,132.68
Joint Facilities—Dr.....	1,800.15		1,800.15	
Total Operating Revenues.....	\$1,626,388.27	\$1,625,950.14	\$ 438.13	
OPERATING EXPENSES				
Maintenance of Way and Structures.....	\$ 488,688.91	\$ 335,218.61	\$153,470.30	
Maintenance of Equipment.....	315,549.29	424,608.61		\$109,059.32

TABLE B (Continued)

Traffic Expenses.....	24,674.72	22,762.01	1,912.71	41,403.65
Transportation—Rail Line.....	556,211.60	597,615.25		3,930.92
General.....	65,552.59	69,483.51		
Transportation for Investment—Cr.....	54,997.07	1,357.10	53,639.97	
Total Operating Expenses.....	1,395,680.04	1,448,330.89		52,650.85
Net Operating Revenue.....	230,708.23	177,619.25	53,088.98	
Railway Tax Accruals.....	121,621.29	112,759.60	8,861.69	
Uncollectible Railway Revenues.....	242.93	949.40		706.47
Railway Operating Income.....	108,844.01	63,910.25	44,933.76	
Miscellaneous Non-operating Physical Property.....	9,854.84	5,367.89	4,486.95	
Income from Unfunded Securities and Accounts.....	790.11	877.74		87.63
Miscellaneous Income.....	1,781.84	1,874.88		93.04
Equipment Rents—Credit Balance.....	54,638.39	81,444.07		26,805.68
Joint Facility Rents—Credit Balance.....	†7,927.08	†11,178.29	3,251.21	
Income from Lease of Road.....	5,600.00	5,600.00		
Total Income.....	173,582.11	147,896.54	25,685.57	
Miscellaneous Tax Accruals.....	1,566.83	†729.16	2,295.99	
Interest on Funded Debt.....	110,000.00	110,000.00		
Interest on Unfunded Debt.....	3,073.83	5,937.99		2,864.16
Miscellaneous Income Charges.....	3,403.90	1,905.00	1,498.90	
Income Appropriated for Investment in Physical Property.....	26,128.82	48,244.61		22,115.79
Amortization of Discount on Funded Debt.....		1,008.40		1,008.40
Surplus.....	29,408.73	*18,470.30	47,879.03	

† Debit. * Deficit.

TABLE B (Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNTS

Debit Balance, January 1, 1927.....	\$489,247.23	
Credit Balance Transferred from Income.....		\$ 29,408.73
Miscellaneous Credits		1,449.21
Debt Discount Extinguished Through Surplus.....	60,000.00	
Loss on Retired Road and Equipment.....	101,784.01	
Miscellaneous Debits	102.75	
Debit Balance Carried to Balance Sheet.....		620,276.05
	<u>\$651,133.99</u>	<u>\$651,133.99</u>

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,500,000.00	4%	June and December	\$ 60,000.00	June 1, 1995
Mort.	1,250,000.00	4%	June and December	50,000.00	June 1, 1995
	<u>\$2,750,000.00</u>			<u>\$110,000.00</u>	

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1925	Dec. 31, 1926	Dec. 31, 1927
Cash	\$ 58,237.19	\$ 59,562.19	\$ 116,078.07
Special Funds	2,140.00	1,940.00	1,520.00
Due from Station Agents and Others	62,912.84	63,940.05	47,269.64
Material and Supplies	369,795.08	356,206.00	288,869.82
Prepaid and Deferred Charges.....	3,339.89	1,374.17	6,388.19
Discount on Funded Debt	70,000.00	60,000.00	
Other Unadjusted Debits	12,241.30	13,881.35	13,540.33
Totals.....	\$ 578,666.30	\$ 556,903.76	\$ 473,666.05
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls.....	\$ 137,459.13	\$ 112,193.54	\$ 84,067.79
Notes Payable	55,000.00	100,000.00	70,000.00
Accrued Taxes, Interest and Traffic Balances	211,761.54	180,135.38	129,567.90
U. S. Government Assets	9,140.44		
Totals.....	\$ 413,361.11	\$ 392,328.92	\$ 283,635.69
Net Assets	\$ 165,305.19	\$ 164,574.84	\$ 190,030.36
CAPITAL ASSETS			
Cost of Road	\$6,455,751.61	\$6,497,234.19	\$6,508,662.01
Cost of Equipment	1,057,385.03	1,062,534.92	1,057,816.04
Miscellaneous Physical Property.....	148,369.52	149,981.66	169,401.54
Totals.....	\$7,661,506.16	\$7,709,750.77	\$7,735,879.59
Net Assets	\$7,826,811.35	\$7,874,325.61	\$7,925,909.95
REPRESENTING			
Bonds Issued—First Lien	\$1,500,000.00	\$1,500,000.00	\$1,500,000.00
Bonds Issued—Mortgage	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Reserves	776,597.94	814,199.44	958,345.85
Other Unadjusted Credits	4,123.30	11,918.94	24,256.87
Additions to Property Through Income and Surplus	1,789,209.85	1,837,454.46	1,863,583.28
Surplus	†443,119.74	†489,247.23	†620,276.05
Totals.....	\$7,826,811.35	\$7,874,325.61	\$7,925,909.95

†Deficit.

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

REVENUE	1923 Amount	Per Cent.	1924 Amount	Per Cent.	1925 Amount	Per Cent.	1926 Amount	Per Cent.	1927 Amount	Per Cent.
Freight.....	\$1,418,984.24	73.72	\$1,447,935.06	75.19	\$1,274,247.79	75.08	\$1,228,783.80	75.57	\$1,316,787.95	80.96
Passenger.....	344,773.30	17.91	303,045.76	15.74	257,104.23	15.15	234,977.22	14.45	166,964.96	10.26
Mail.....	43,867.28	2.28	47,708.51	2.48	45,478.36	2.68	42,050.45	2.59	37,353.21	2.30
Express.....	52,448.40	2.73	56,568.78	2.94	56,234.73	3.31	57,885.98	3.56	51,943.95	3.19
Milk.....	24,948.68	1.29	29,183.14	1.51	29,234.13	1.72	29,090.53	1.79	25,588.33	1.58
Other Sources.....	39,840.97	2.07	41,067.96	2.14	34,884.79	2.06	33,162.16	2.04	27,749.87	1.71
Total.....	\$1,924,862.87	100 %	\$1,925,509.21	100 %	\$1,697,184.03	100 %	\$1,625,950.14	100 %	\$1,626,388.27	100 %
EXPENSES										
Maint. Way and Structures....	\$ 374,869.70	21.17	351,414.14	21.94	342,094.96	22.69	335,218.61	23.15	488,688.91	35.02
Maint. Equipment.....	573,799.91	32.40	448,978.68	28.03	449,123.85	29.78	424,608.61	29.32	315,549.29	22.62
Traffic.....	24,056.81	1.36	24,349.00	1.52	24,490.55	1.62	22,762.01	1.57	24,674.72	1.76
Transportation.....	729,615.27	41.20	703,823.54	43.95	650,062.83	43.11	597,615.25	41.26	556,211.60	39.85
General.....	69,879.78	3.95	77,088.94	4.81	66,003.81	4.38	69,483.51	4.79	65,552.59	4.69
Transportation for Invest- ment—Cr.....	1,498.08	.08	4,058.86	.25	23,903.59	1.58	1,357.10	.09	54,997.07	3.94
Total.....	\$1,770,723.39	100 %	\$1,601,595.44	100 %	\$1,507,872.41	100 %	\$1,448,330.89	100 %	\$1,395,680.04	100 %
Net Earnings.....	154,139.48	8.01	323,913.77	16.82	189,311.62	11.15	177,619.25	10.92	230,708.23	14.18
Taxes.....	100,535.08	5.22	126,612.46	6.58	121,804.29	7.17	112,759.60	6.93	121,621.29	7.48
Net Earnings, less Taxes.....	53,604.40	2.79	197,301.31	10.24	67,507.33	3.98	64,859.65	3.99	109,086.94	6.71

TABLE F
DETROIT AND MACKINAC RAILWAY COMPANY
OPERATING EXPENSES
1927 COMPARED WITH 1926

MAINTENANCE OF WAY AND STRUCTURES

	Amount.	Increase.	Decrease.
Superintendence	\$ 26,228.79		\$ 4,590.55
Roadway Maintenance	7,706.34		2,793.12
Bridges, Trestles and Culverts	2,547.59		6,121.05
Bridges, Trestles and Culverts—Depreciation	7,834.14	\$ 7,834.14	
Ties	101,763.36	34,984.09	
Ties—Depreciation	24,818.41	24,818.41	
Rails	2,817.42		19,826.58
Rails—Depreciation	45,220.54	45,220.54	
Other Track Material	43,226.43	13,320.85	
Other Track Material—Depreciation	19,596.48	19,596.48	
Ballast	5,506.43	3,655.38	
Ballast—Depreciation	10,045.13	10,045.13	
Track Laying and Surfacing	116,015.84	5,538.09	
Right-of-Way Fences	1,967.15	494.65	
Right-of-Way Fences—Depreciation	5,322.95	5,322.95	
Snow and sand fences and snowsheds—Depreciation	79.30	79.30	
Crossings and Signs	3,330.82		98.76
Crossings and Signs—Depreciation	2,205.00	2,205.00	
Station and Office Buildings	7,840.35	3,329.56	
Station and Office Buildings—Depreciation	7,590.07	7,590.07	
Roadway Buildings	2,290.48	207.24	
Roadway Buildings—Depreciation	1,436.61	1,436.61	
Water Stations	2,116.78		2,465.34
Water Stations—Depreciation	1,839.63	1,839.63	
Fuel Stations	305.85		457.39
Fuel Stations—Depreciation	864.66	864.66	
Shops and Enginehouses	2,431.76	435.37	
Shops and Enginehouses—Depreciation	4,897.05	4,897.05	
Coal and Ore Wharfs	63.24	63.24	
Coal and Ore Wharfs—Depreciation	300.51	300.51	
Telegraph and Telephone Lines	1,856.68		607.29
Telegraph and Telephone Lines—Depreciation	1,979.01	1,979.01	
Signals and Interlockers	393.56	14.05	
Roadway Machines	5,670.04		373.14
Roadway Machines—Depreciation	2,485.78	2,485.78	
Small Tools and Supplies	4,615.09	194.67	
Removing Snow, Ice and Sand	8,564.13		7,014.00
Injuries to Persons	839.99		168.22
Insurance	1,593.36	147.92	
Stationery and Printing	529.72		213.15
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	4,044.02	498.31	
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	2,091.58	1,199.80	
Total	\$488,688.91	\$153,470.30	

TABLE F (Continued)

MAINTENANCE OF EQUIPMENT

	Amount.	Increase.	Decrease.
Superintendence	\$ 14,350.52		\$ 398.47
Shop Machinery	3,407.66		4,212.06
Shop Machinery—Depreciation	6,564.18	\$ 6,564.18	
Steam Locomotives—Repairs	104,495.13		24,760.24
Steam Locomotives—Depreciation	4,591.75		6,428.45
Steam Locomotives—Retirements	3,362.08		3,676.08
Freight Train Cars—Repairs	131,246.37		44,501.34
Freight Train Cars—Depreciation	10,383.34		14,895.79
Freight Train Cars—Retirements	1,893.51		4,215.27
Passenger Train Cars—Repairs	29,251.31		4,887.85
Passenger Train Cars—Depreciation	3,001.45		4,202.03
Passenger Train Cars—Retirements			476.08
Work Equipment—Repairs	7,820.32		467.86
Work Equipment—Depreciation	1,238.15		1,413.40
Work Equipment—Retirements	218.69	334.95	
Miscellaneous Equipment—Repairs	491.19		273.85
Miscellaneous Equipment—Depreciation	434.88		228.26
Injuries to Persons	1,633.28	20.80	
Insurance	294.14		12.70
Stationery and Printing	774.85	39.59	
Maintaining Joint Equipment at Terminals—Dr.	1,993.68		20.48
Maintaining Joint Equipment at Terminals—Cr.	948.63	948.63	
Total.....	\$315,549.29		\$109,059.32

TRAFFIC

Superintendence	\$ 11,915.42	\$ 67.78	
Outside Agencies	2,661.69		57.67
Advertising	220.51		54.53
Traffic Associations	1,786.58	402.87	
Insurance	4.37	2.57	
Stationery and Printing	8,086.15	1,551.69	
Other Expenses			
Total.....	\$ 24,674.72	\$ 1,912.71	

TRANSPORTATION—RAIL LINE

Superintendence	\$ 26,145.75		\$ 847.48
Dispatching Trains	10,376.20		11.53
Station Employees	93,624.02		3,146.35
Weighing, Inspection and Demurrage Bureaus	365.70		232.19
Station Supplies and Expenses	5,342.71		1,015.60
Yard Masters and Yard Clerks	11,162.31	300.80	
Yard Conductors and Brakemen	23,308.16	3,367.74	
Yard Enginemen	21,252.22	1,710.65	
Fuel for Yard Locomotives	18,281.43		1,072.47
Water for Yard Locomotives	1,502.71		38.29
Lubricants for Yard Locomotives	437.44	39.43	
Other Supplies for Yard Locomotives	188.42	36.58	
Engine House Expenses—Yard	5,359.11	161.90	
Yard Supplies and Expenses	327.95		180.09

TABLE F (Continued)

	Amount.	Increase.	Decrease.
Train Enginemen	61,912.57		4,500.39
Fuel for Train Locomotives	101,295.74		7,529.99
Water for Train Locomotives	5,774.20		571.79
Lubricants for Train Locomotives	2,918.13		286.02
Other Supplies for Train Locomotives	1,013.32		385.46
Engine House Expenses—Train	32,781.62		203.68
Trainmen	66,655.99		3,776.27
Train Supplies and Expenses	30,421.12	31.07	
Crossing Protection	88.88		29.18
Drawbridge Operation	3,216.46		11.52
Telegraph and Telephone Operation	1,675.37		816.35
Stationery and Printing	5,366.84		33.95
Other Expenses	2,354.26	281.52	
Insurance	380.90	11.47	
Clearing Wrecks	1,859.59	1,158.58	
Damage to Property	1,141.48		514.44
Damage to Live Stock on Right of Way....	181.24	81.97	
Loss and Damage—Freight	5,734.38		592.26
Loss and Damage—Baggage	2.67		8.82
Injuries to Persons	3,548.12		1,489.58
Operating Joint Yards and Terminals—Dr.	21,113.05		17,996.73
Operating Joint Yards and Terminals—Cr.	9,922.09	2,414.10	
Operating Joint Tracks and Facilities—Dr.	723.69		882.46
Operating Joint Tracks and Facilities—Cr.	1,700.06		1.63
Total.....	\$556,211.60		\$ 41,403.65

GENERAL

Salaries and Expenses of General Officers \$	11,294.67		\$ 204.25
Salaries and Expenses of Clerks and Attendants	37,176.69		526.37
General Office Supplies and Expenses	1,259.48	144.76	
Law Expenses	7,202.88		4,260.65
Insurance	130.76		5.56
Pensions	5,156.00	406.00	
Stationery and Printing	2,758.39	594.90	
Other Expenses	573.72		79.75
Total.....	\$ 65,552.59		\$ 3,930.92

Italic figures denote credits.

SUMMARY

Maintenance of Way and Structures.....	\$ 488,688.91	\$153,470.30	
Maintenance of Equipment	315,549.29		\$109,059.32
Traffic Expenses	24,674.72	1,912.71	
Transportation—Rail Line	556,211.60		41,403.65
General	65,552.59		3,930.92
Transportation for Investment—Cr.	54,997.07	53,639.97	
Total Operating Expenses.....	\$1,395,680.04		\$ 52,650.85

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1927

MAIN LINE	
North Bay City to Cheboygan.....	195.53
One-half Ownership—Foss to North Bay City.....	.12
BRANCHES	
Omer to Au Gres	8.22
Emery Junction to Prescott	12.17
Emery Junction to Rose City	31.22
Alabaster Junction to Alabaster	4.27
Lincoln Junction to Lincoln	14.66
Hillman Junction to Hillman	23.35
Rogers City Junction to Rogers City.....	14.40
Alpena Junction to Rockport	13.90
Total.....	122.19
Total Main Line and Branches.....	317.84
Yard Tracks and Sidings.....	84.94
Total, all tracks (miles).....	402.78

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

Products of Agriculture:	1927 Tons	Per Cent.	1926 Tons	Per Cent.
Grain	4,764	.4	4,208	.4
Flour	2,989	.3	3,528	.3
Other mill products	2,618	.2	1,888	.2
Hay and straw	606	.1	2,729	.3
Potatoes	6,522	.6	11,112	1.1
Dried fruits and vegetables	11,519	1.0	13,050	1.2
Other products of agriculture.....	12,637	1.1	18,417	1.8
Total.....	41,655	3.7	54,932	5.3

TABLE H (Continued)

Animals and Products:	1927 Tons	Per Cent.	1926 Tons	Per Cent.
Live stock	6,774	.6	8,070	.7
Wool	178		120	
Hides and leather	2,088	.2	644	.1
Other animals and products	1,311	.1	637	.1
Total.....	10,351	.9	9,471	.9
Products of Mines:				
Anthracite coal	1,295	.1	1,863	.2
Bituminous coal	59,797	5.1	60,948	5.9
Coke	1,781	.2	2,187	.2
Clay, gravel, sand and stone.....	578,422	49.2	426,165	41.1
Other products of mines.....	3,114	.3	4,313	.4
Total.....	644,409	54.9	495,476	47.8
Products of Forests:				
Pulp wood	36,618	3.1	36,868	3.6
Lumber	37,651	3.2	35,329	3.4
Other products of forests	19,177	1.6	41,024	4.0
Total.....	93,446	7.9	113,221	11.0
Manufactures and Miscellaneous:				
Refined petroleum and its products.....	28,385	2.4	22,455	2.2
Sugar	1,454	.1	1,465	.2
Iron, pig and bloom	553		517	
Rails and fastenings	986	.1	1,034	.1
Bar and sheet iron, structural iron, and iron pipe	4,920	.4	4,375	.4
Castings, machinery and boilers	3,678	.3	4,361	.4
Cement	113,613	9.6	110,140	10.6
Brick and artificial stone	4,247	.4	5,035	.5
Lime and plaster	130,688	11.0	130,231	12.5
Agricultural implements	921	.1	1,362	.1
Automobiles and autotrucks	295		556	.1
Household goods and furniture	83		537	
Beverages	60		45	
Fertilizers (all kinds)	893	.1	764	.1
Chemicals and explosives	5,754	.5	4,395	.4
Canned goods (all canned food products)	676	.1	423	
Other manufactures and miscellaneous....	56,169	4.8	45,332	4.4
Total.....	353,375	29.9	333,027	32.0
All L. C. L. freight	33,068	2.7	30,411	3.0
Grand Total, Carload and L. C. L. Traffic.....	1,176,304	100%	1,036,538	100%

TABLE I

DETROIT AND MACKINAC RAILWAY COMPANY

FREIGHT STATISTICS

	1926	1927
Number tons revenue freight carried.....	1,036,538	1,176,304
Number tons non-revenue freight carried.....	76,780	173,852
Total number tons of freight carried.....	1,113,318	1,350,156
Number revenue tons carried one mile.....	84,052,939	90,484,920
Number all tons carried one mile.....	91,372,000	103,903,000
Number revenue tons carried one mile, per mile of road	223,884	254,564
Number tons all freight carried one mile, per mile of road	243,380	292,314
Average distance haul of one ton revenue freight (miles)	81.09	76.92
Average distance haul of one ton all freight (miles)	82.07	76.96
Total freight revenue	\$1,228,783.80	\$1,316,787.95
Average amount received for each ton of freight	1.18547	1.11942
Average receipts, per ton, per mile.....	.01462	.01455
Freight revenue, per mile of road.....	3,273.00	3,704.56
Freight revenue, per train mile.....	4.81	5.43
Average number of revenue tons per train mile	328.88	373.36
Average number of all tons, per train mile.....	357.51	428.73
Average number of all tons, per loaded car mile	26.06	27.73
Average number of cars, per train mile.....	22.5	25.98

PASSENGER STATISTICS

Number of passengers carried	113,224	79,391
Number of passengers carried one mile.....	6,528,000	4,734,000
Number of passengers carried one mile, per mile of road	17,388	13,318
Average distance each passenger carried (miles)	57.65	59.63
Passenger revenue	\$ 234,977.22	\$ 166,964.96
Average amount received from each passenger	2.075	2.103
Average receipts, per passenger, per mile.....	.03599	.03527
Total passenger train earnings	369,313.60	287,906.03
Passenger earnings, per mile of road.....	983.71	809.98
Passenger earnings, per train mile.....	1.68	1.51
Average number of passengers, per train mile	29.77	24.77

OPERATING STATISTICS

Gross revenue from operation	\$1,625,950.14	\$1,626,388.27
Gross revenue from operation, per mile of road	4,330.90	4,575.57
Operating expenses	1,448,330.89	1,395,680.09
Operating expenses, per mile of road.....	3,857.79	3,926.52
Operating expenses, per train mile.....	3.05	3.22
Net operating revenues	177,619.25	230,708.23
Net operating revenues, per mile of road.....	473.11	649.06
Ratio of expenses to earnings.....	89.08	85.81

TABLE J

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

Locomotives:	1926	1927
Passenger	12	12
Freight	14	12
Switching	4	6
Totals.....	<u>30</u>	<u>30</u>
Passenger Cars:		
First Class	14	14
Combination	8	7
Parlor	2	2
Cafe	1	1
Baggage, Express and Postal	13	14
Totals.....	<u>38</u>	<u>38</u>
Freight Cars:		
Refrigerator	6	6
Box	528	515
Coal	48	48
Flat	116	115
Stock	76	75
Gondolas	341	341
Totals.....	<u>1,115</u>	<u>1,100</u>
In Company's Service:		
Officers and Pay Cars	1	1
Derrick Cars	2	2
Caboose Cars	11	11
Other Road Cars	72	71
Snow Plow	1	1
Totals.....	<u>87</u>	<u>86</u>
Summary:		
Total Number of Locomotives Owned.....	30	30
Total Number of Cars Owned.....	1,240	1,224

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP DURING YEAR 1927

TRACKS BUILT

Track Order	Location	Miles.	Feet.
1451 South Leg Wye No. 54.....	National City		1,606
1452 Spur Track No. 57.....	National City		2,016
1460 Change Rail and Extend Track No. 153.....	Posen		3,111
1461 Elevator Spur.....	Twining		550
1463 Track No. 56-A.....	Alpena Yard		212
1464 North Leg of Wye.....	Alpena Yard		517
1465 Rebuild Avery Branch.....	Alpena Yard		6,953
1466 Track No. 85 off Track No. 56.....	Alpena Yard		638
1471 House Track.....	Twining		1,289
1477 Arenac Spur.....	Main Line		451
1485 Elevator Track.....	Pine River		305
1507 Change Rail Track No. 7-A.....	Alpena Yard		560
1512 Change Rail Track No. 10.....	Alpena Yard		389
1513 Change Rail Track No. 14.....	Alpena Yard		377
1515 Change Rail Track No. 25.....	Alpena Yard		860
Total.....		3	3,994

TRACKS TAKEN UP

Track Order	Location	Miles.	Feet.
1448 Switch, Track No. 254.....	Cheboygan		
1449 Switch, Track No. 255.....	Cheboygan		
1450 Pine River Bean & Grain Company Track.....	Pine River		299
1453 Track No. 217.....	Tower		1,518
1454 Track No. 216.....	Tower		1,678
1455 Track No. 226.....	Cheboygan		1,827
1456 Track No. 229.....	Cheboygan		1,658
1457 Twining Bean & Grain Co. Track.....	Twining		565
1458 Siding.....	Linwood Park		1,575
1459 Arenac Spur.....	Main Line		446
1460 Freight House Siding.....	Long Lake		270
1460 Change and Extend Track No. 153.....	Posen		2,532
1468 McCready Track.....	Twining		507
1469 AuSable River Branch.....	All Stations		12,883
1469 AuSable River Branch.....	Branch Line	49	3,432
1470 Curran Branch.....	All Stations		3,696
1470 Curran Branch.....	Branch Line	10	1,531
1471 Part of House Track.....	Twining		700
1473 Avery Branch Track No. 56.....	Alpena		6,950
1474 Track No. 85.....	Alpena		608
1475 North Leg of Wye.....	Alpena		458
1476 Part of Tobico Ice House Track.....	Tobico		160
1479 Track No. 135.....	Alcona		622
1484 Back End of Beet Track.....	Twining		632
1486 Cowley Spur.....	Main Line		2,270
1487 Track No. 105.....	Oscoda		2,404
1488 Wye Track No. 113.....	Oscoda		952

TABLE K (Continued)

Track Order	Location.	Miles.	Feet.
1489 Track No. 114.....	Oscoda		1,410
1490 Track No. 111.....	Oscoda		420
1491 Track No. 112.....	Oscoda		264
1492 Track No. 102.....	Oscoda		1,700
1494 Bristol Spur.....	Main Line		314
1497 Vogelheim Track.....	Rogers City		1,200
1498 Track No. 57.....	Alpena Yard		474
1499 Track No. 58.....	Alpena Yard		891
1500 Back End Track No. 61.....	Alpena Yard		585
1501 Back End Track No. 49.....	Alpena Yard		72
1502 Track No. 50.....	Alpena Yard		922
1503 Track No. 53.....	Alpena Yard		1,002
1504 Track No. 54.....	Alpena Yard		1,153
1505 Track No. 55.....	Alpena Yard		1,221
1507 Change Track No. 7-A.....	Alpena Yard		623
1512 Change Track No. 10.....	Alpena Yard		434
1513 Change Track No. 14.....	Alpena Yard		382
1915 Change Track No. 25.....	Alpena Yard		891
1516 Back End of Track No. 4.....	Rogers City		989
1517 Track No. 3.....	Rogers City		650
1518 Track No. 6.....	Rogers City		361
1519 Track No. 7.....	Rogers City		252
1520 Track No. 8.....	Rogers City		480
1521 Track No. 9.....	Rogers City		140
1522 Track No. 10.....	Rogers City		1,169
1523 Track No. 11.....	Rogers City		1,072
1524 Track No. 18.....	Rogers City		1,080
1525 Track No. 12.....	Rogers City		396
Total.....		72	2,080

SUMMARY

Tracks Taken Up.....	72	2,080
Tracks Built.....	3	3,994
Net Decrease.....		68 3,366

